

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 593 – SB 1032

March 22, 2017

SUMMARY OF ORIGINAL BILL: Defines “adult” as an individual who is 18 years of age or older for purposes of adult day care services.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005112): Deletes all language after the enacting clause. Defines adult day care as services provided to five or more adult recipients, for more than three hours per day, by a provider of such services who is not related to such adult, pursuant to an individualized plan of care designed to maintain or restore each adult's optimal capacity for self-care through medical or social services.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$5,375

Increase Federal Expenditures - \$59,500/Social Services Block Grant

Assumptions for the bill as amended:

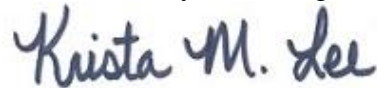
- Pursuant to Tenn. Code Ann. § 71-2-401, adult day care means services provided to ten or more adult recipients, for more than three hours per day, by a provider of such services who is not related to such adult, pursuant to an individualized plan of care designed to maintain or restore each adult's optimal capacity for self-care through medical or social services.
- The proposed legislation reduces the minimum number to five or more adult recipients.
- Based on information provided by the Department of Human Services (DHS), there are 43 facilities that are licensed as adult day care centers under the Adult Day Care program that is administered within the DHS.
- Reducing the minimum number of adult recipients that would receive services in an adult day care program would result in an increase in the number of facilities that the DHS would be required to license and monitor.

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- Currently, the DHS charges an annual fee of \$125 for facilities with under 20 people.
- Assuming reducing the number of adult recipients from 10 to 5 would result in the number of facilities doubling to 86 (43 x 2), the DHS would realize an additional \$5,375 (43 new facilities x \$125) in recurring fee revenue.
- The DHS cannot handle increased monitoring within existing resources.
- The DHS would require one Program Evaluator position to meet the provisions of the proposed legislation. The position will be funded 100 percent with Social Services Block Grant funds.
- The total recurring increase in federal expenditures is estimated to be \$59,538 (\$37,320 salary + \$13,118 benefits + \$9,100 operational costs).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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